

Comptroller's Directive No. 2-04
Attachment 14
Schedule of Cash, Cash Equivalents, and Investments at June 30

Purpose

This attachment is used to gather uniform financial reporting information for CAFR note disclosures required by GASBS No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. This attachment is similar to prior year's Attachment 14.

Applicable agencies

All agencies and funds that have cash, cash equivalents, or investments that **are not** included on a financial statement template must complete this attachment.

- All agencies required to complete this attachment must complete the “**Detail Sheet**” tab of the excel attachment.
 - The Department of Corrections must aggregate central office and all facilities using 701.
 - The Department of Mental Health, Mental Retardation, and Substance Abuse Services must aggregate central office and all facilities using 720.
 - The Supreme Court of Virginia must aggregate agencies 103, 111, 112, 113, 114, 115, 116, 125, and 160 using 111. (**A separate attachment must be done for each agency that has cash, cash equivalents, or investments not with the Treasurer of Virginia**).
- All agencies required to complete this attachment with cash equivalents and investments **that are not held or managed** by the State Treasurer must **ALSO** complete the following tabs of the excel attachment.
 - “**Cash Equivalents**”
 - “**Investments**”
 - “**Recordation**”

Note: Individual agencies that **ONLY** have cash equivalents or investments with the Treasurer of Virginia **do not** need to complete these additional tabs of the excel attachment because Treasury provides the Department of Accounts with the investment type and risk category for these amounts on a statewide basis.

Due date

August 19, 2004

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**Submission
requirements**

Contact DOA if the agency has any problems with the spreadsheets.

After downloading the files, rename the spreadsheet file using the agency number followed by Att14. For example, agency 151 should rename its Attachment 14.xls file as 151Att14.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

Copy APA via E-mail to APAFinRept@apa.state.va.us.

Do **not** submit paper copies of these spreadsheets.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log Tab in the excel file attachment.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

As defined

Cash – the standard medium of exchange (paper currency) that must be readily available for the payment of current obligations, and it must be free from any contractual restriction that limits its use in satisfying debts.

Cash Equivalents – instruments or investments of such high liquidity (original maturity of 90 days or less) and low risk that they are virtually as good as cash. Examples are a nonnegotiable certificate of deposit, money market fund, Treasury bill, and monies in the State Non-Arbitrage Program (SNAP). Whether an asset is a cash equivalent is determined only once based on the length of the original maturity when the asset is first acquired.

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As defined, continued

Investments – securities and other assets acquired primarily for the purpose of obtaining income or profit with an original maturity greater than 90 days. This includes securities, which are transferable financial instruments that evidence ownership or creditorship.

Security – generally, an instrument evidencing debt of or equity in a common enterprise in which a person invests on the expectation of financial gain. The term includes notes, stocks, bonds, debentures or other forms of negotiable and nonnegotiable evidences of indebtedness or ownership.

Instructions for
“Detail Sheet”
tab

Follow the steps outlined below.

Step	Action
1	Report balance in CARS GLA 101 for all funds. This amount must equal the amount with the Treasurer of Virginia. If the amount does not equal CARS GLA 101, provide a reconciliation.
2a	<p>The reported amount for “Cash not held by the Treasurer of Virginia” should include all demand deposits not held by the Treasurer of Virginia.</p> <p>Note: Certificates of deposit (CDs) should not be reported as cash. CDs should be reported as cash equivalents and/or investments. See Steps 5 and 6 for more guidance.</p> <p>Note: Money market funds held by financial institutions versus a broker/dealer qualify as deposits, and therefore, are classified as cash instead of investments.</p>
2b	Report the total bank balances for June 30, 2004. This amount can be retrieved from the bank statement(s) for the account(s) reported in 2a above.

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Instructions for “Detail Sheet” tab, continued

Step	Action
3	<p>Report deposits/cash covered by federal depository insurance and/or collateralized in accordance with the Virginia Securities for Public Deposits Act, Section 2.2-4400 of the Code of Virginia. (These funds are considered insured and reportable as Category 1 as defined by <u>GASBS No. 3.</u>)</p> <p>Report deposits/cash that are not collateralized. (These funds are considered uninsured and reportable as either Category 2 or 3 as defined by <u>GASBS No. 3.</u>)</p>
4	<p>Report the amount the agency has in the Local Government Investment Pool with the Treasurer of Virginia. Enter each account number's GLA, fund/fund detail, amount, and whether the agency verified the ending amount (as of June 30) with Treasury.</p> <p>Note: Only list LGIP accounts that are not listed on another financial statement template attachment.</p>
5	<p>Report cash equivalents not held by the Treasurer of Virginia. Categorize this amount by cash equivalent type and risk category on the “Cash Equivalents” tab of the excel attachment.</p> <p>Negotiable certificates of deposit should be classified as cash equivalents or investments depending on the original maturity. Negotiable instruments are securities that are normally sold in \$1 million units and that can be traded in a secondary market.</p> <p>Nonnegotiable certificates of deposit should always be reported as cash equivalents. Nonnegotiable instruments are time deposits that are placed by depositors directly with financial institutions and that are generally subject to a penalty if redeemed before maturity.</p> <p>Note: The amount reported in step 5 should equal the total in the reported amount column on the “Cash Equivalents” tab of the excel attachment. There will be error messages in the cells if the amounts do not equal.</p>

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Instructions for “Detail Sheet” tab, continued

Step	Action
6	<p>Report investments not held by the Treasurer of Virginia. Categorize this amount by investment type and risk category on the “Investments” tab of the excel attachment.</p> <p>Negotiable certificates of deposit should be classified as cash equivalents or investments depending on the original maturity. Negotiable instruments are securities that are normally sold in \$1 million units and that can be traded in a secondary market.</p> <p>Note: The amount reported in step 6 should equal the total in the reported amount column on the “Investments” tab of the excel attachment. There will be error messages in the cells if the amounts do not equal.</p>
7	<p>Complete the “Recordation” tab of the excel attachment to ensure the cash equivalents and investments not held by the Treasurer are appropriately valued in accordance with <u>GASBS No. 31</u>.</p>

Credit risk

The “**Cash Equivalents**” and “**Investments**” tabs of the excel attachment identify the three credit risk categories required by GASBS No. 3, paragraph 68.

Determining credit risk is complex and dependent upon such factors as who holds the investment; whether the holder is a counterparty to the transaction; and in whose name the investment is held. For audit purposes, maintain documentation supporting credit risk decisions.

Disclose credit risk for **reverse repurchase agreements** on those tabs **and** provide credit risk disclosures required by GASBS No. 3, Paragraph 78.

Other

If the agency maintains an extensive investment portfolio, review GASBS No. 3, Paragraphs 63 through 84 to determine if any of these topics are applicable.

If the topics are applicable, prepare the additional required disclosures and include those with Attachment 14 submitted to DOA.

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